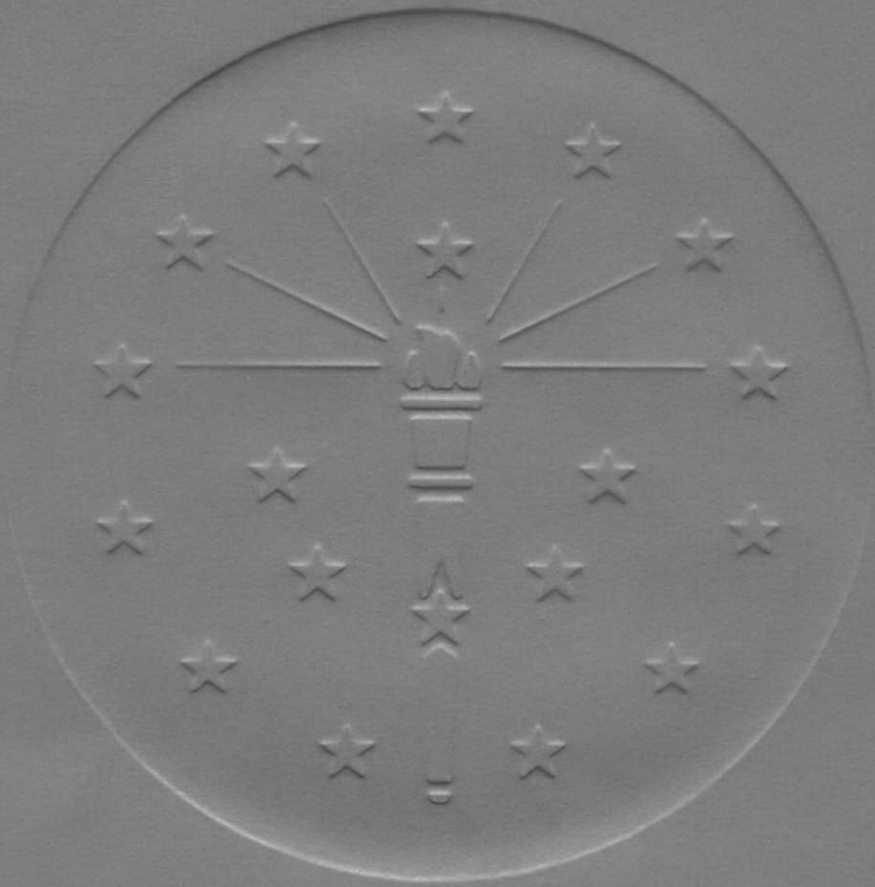


20
00

INDIANA DEPARTMENT OF COMMERCE
ANNUAL REPORT



02...**Healthy Hoosier Economy**

04...2000 By the Numbers

06...Growing Together

08...Energizing the Economy

10...Rugged Vehicles and a Robust Economy

12...An Interactive Partnership

14...International Perspective, Local Success

16...The Natural Location for Progress

18...New Partnerships for New Technologies

20...Building Value with Tradition

22...Bringing the City to a Village

24...Developments for Brighter Futures

26...Looking Ahead

Partnerships

At the Indiana Department of Commerce, we know that partnerships are the key to economic development. Between state and local development offices. Between businesses and universities. Between neighboring communities. Between the public and private sectors.

It's these kinds of partnerships that have put us in a position of strength. Today, Indiana's economy is more diverse, robust and dynamic than it has ever been. And in 2000, Commerce worked with companies and communities to generate even greater success.

This report highlights the best of 2000, reviews the past four years, and looks forward to what the future will bring. In every instance, partnerships dictate our many accomplishments.



Lt. Governor Joe Kernan

A Healthy Hoosier Economy

A state of progress. It's more than just a slogan. In today's competitive world, we don't just talk about progress—we make it happen.

Consider Indiana's advantages over the competition:

- No tax increase in the last 12 years;
- Low cost of living;
- A skilled workforce;
- World-class infrastructure;
- The lowest state and local tax burden among our neighboring states; and
- A stable business climate marked by our AA+ bond rating, solid reserve and balanced budget.

Add to this list the highest share of middle-income jobs in the nation, the third lowest poverty rate, and a tax refund of \$1.5 billion to our citizens and businesses, and it's no wonder Indiana is so attractive to our customers.

For years, that formula has meant success for our traditional manufacturing sector. In 2000, however, technology companies joined manufacturers in taking advantage of Indiana's tremendous business climate. Software, consulting and medical companies led a boom in the state's high-tech industry. From Ground Zero Webs in Portage to CyberTek Engineering in New Albany, technology ventures are flourishing.

It all makes for a prosperous Indiana—a state rooted in solid Midwestern values and prepared for a dynamic future.

New Initiatives for a New Millennium

In 2000, some of our biggest successes came through new initiatives geared toward the technology industry. First, we created the e-Commerce Division, which promotes business-to-business communication, e-business as an economic development force, plus state-to-business and state-to-citizen service.

Next, this new division, along with the Indiana Department of Workforce Development, launched the Technology Enhancement Certification for Hoosiers (TECH) Fund. In 2000, 45 companies utilized the TECH Fund, which will lead to technology certification for more than 800 Hoosier workers. The program was so successful, in fact, that Governor O'Bannon added another \$1 million to the initiative before the end of the year.

Finally, Indiana's 21st Century Research and Technology Fund made 2000 a year to remember. Since the launch of the fund, 43 awards were granted throughout the state. Those grants, totaling \$49.2 million, leveraged an additional \$95 million in investments. More importantly, the 21st Century Fund promoted partnerships among our world-class universities and cutting-edge businesses—partnerships that generate commercial breakthroughs for Indiana businesses.

The Right Tools for the Job

When competing against other states, there is no more valuable business development tool than EDGE (Economic Development for a Growing Economy) Tax Credits. EDGE credits were approved for 16 companies last year. Those projects are expected to create 6,417 new jobs for Hoosiers—many of them knowledge-based jobs—and leverage a capital investment of \$615 million.

As the "Crossroads of America," infrastructure has always been a strength for Indiana. Still, infrastructure improvements are sometimes needed for growing companies. Our Industrial Development Grant Fund (IDGF) helps communities prepare sites to suit those companies' specific needs. And as the definition of infrastructure changes, we adapt: the IDGF now helps pay for fiber optic cable, as well as the traditional roads, rail and water.

Skilled workers are essential for a prosperous business. Whether it's for a new hire or a long-time employee who needs training on new equipment, our Training 2000 program helps businesses manage the costs of keeping their workers' skills on the cutting-edge.

In 2000, these tools—plus the partnerships that make them work—helped 209 companies expand or locate in Indiana. All told, that translates to 10,553 new jobs for Hoosiers. In addition, 49,314 existing employees enhanced their skills through additional training.

Cutting-edge Communities

A world-class company demands a cutting-edge community. We must continue building our communities, improving housing, childcare, public works and economic opportunities. It makes Indiana a better place to live and do business. For our cities, towns and counties, Commerce's Community Development Division is a tremendous resource. In 2000, Hoosier communities received more than \$32 million in

funding from Community Development—including grants to improve public infrastructure, provide fire safety, and match savings accounts for low-income Hoosiers.

The Urban Enterprise Zone program also expanded, adding two new zones in Mitchell and Portage. This program helped zone businesses save more than \$35 million in 1999 taxes—encouraging significant capital investment in some of our neighborhoods that need it the most.

From bustling city centers to small towns, our Community Development Division makes a huge impact—building our communities, and creating even greater economic potential.

Opening Opportunities Worldwide

Building communities strengthens Indiana from within. But, in today's global economy, we must seek opportunities beyond our borders. Our International Trade Division helps Indiana companies reach world markets through its Trade Show Assistance Program, plus our overseas offices facilitate even greater access to those markets.

On New Year's Day, 2001—to serve yet another growing market for Hoosier businesses—we opened our 13th international trade office: the Eastern Mediterranean Regional Office, based in Jerusalem.

Record Breaking Exports

1997: \$13.1 Billion

1998: \$13.4 Billion

1999: \$13.97 Billion

2000: \$16.52 Billion

As the figures above show, Indiana set a record for exports in 2000. Hoosier businesses sent more than \$16 billion in goods to international markets, an 18 percent increase over 1999. While realizing growth nearly across the board, markets in Mexico, the Netherlands, Japan, and Germany netted remarkable growth for Hoosier products. Meanwhile, the strongest industry gains came in the sectors of primary metals, transportation equipment and industrial machinery and computer equipment.

As we move forward, we will continue to be leaders in the global economy. Through trade shows, overseas missions and cooperation with our international offices, our International Trade Division will continue to drive those efforts.

Fueling Indiana's Future

While our economy is healthy, we must ensure that our environment is too. Fortunately, those efforts can go hand-in-hand. Our Energy Policy Division helps businesses develop cleaner, more efficient processes. That not only saves on Indiana's natural resources, it helps companies save on energy costs. It's a great way for businesses—and Indiana—to grow responsibly.

Energy Policy also helps individuals do their part for the environment. In 2000, Emission Control, a free service to Hoosiers throughout the state, helped nearly 3,700

motorists reduce emissions in their cars. That improves air quality, and ultimately lessens those drivers' maintenance and repair costs.

Moreover, by expanding its Recycling Promotion and Assistance Fund (RPAF) program, Energy Policy has become an even more integral part of our business attraction process. The RPAF program now offers \$1 million loans to Indiana businesses and grants of up to \$100,000 to companies and governmental organizations.

Making Hospitality Work

Indiana is such a vibrant state, it's only natural that we show it off to visitors. That's why our Tourism and Film Development Division is so important. By partnering with local tourism offices, it promotes Indiana's attractions, festivals and events.

In 2000, Tourism reached more potential travelers through the launch of EnjoyIndiana.com. Our new Web site serves as a trip planner and a resource for information on getaways.

The Tourism Division's \$645,000 cooperative advertising program continues to promote the state. Through the program, the division helped 55 tourism industry advertisers reach nearly 30 million households with advertising in travel magazines, generating more than 360,000 requests for information for those Indiana advertisers.

Partnerships Leading the Way

Clearly, we enjoyed a banner year in 2000. We added new economic development tools. We added new companies to the state economy. We moved more Hoosier products to more markets than ever before. We strengthened our communities, made our environment healthier and developed new strategies to attract visitors to our state.

All these accomplishments are possible because of partnerships. As we move forward through the new millennium, we want to bolster those existing partnerships and forge new ones. Together, we will ensure Indiana's communities, workforce and economy enjoy a successful, productive future.

Lt. Governor Joe Kernan and Governor Frank O'Bannon



2000 By the Numbers

Training 2000	2000	1997-2000
Grants Awarded	209	858
Total Funds Awarded	\$14.8 million	\$55.9 million
Investment Leveraged	\$1.42 billion	\$8.66 billion
New Jobs Created	10,553	42,810
Retrains	49,314	198,036

Industrial Development Grant Fund	2000	1997-2000
Grants Awarded	21	110
Total Funds Awarded	\$4.17 million	\$18.2 million
Investment Leveraged	\$724.98 million	\$2.81 billion
Total New Jobs Benefited	4,658	13,288

Community Focus Fund	2000	1997-2000
Grants Awarded	69	286
Total Funds Awarded	\$26.96 million	\$112.84 million
Investment Leveraged	\$24.8 million	\$109.38 million

Community Planning Fund	2000	1997-2000
Grants Awarded	28	114
Total Funds Awarded	\$262,000	\$1.03 million
Investment Leveraged	\$435,321	\$1.65 million

Neighborhood Assistance Program	2000	1997-2000
Credits Awarded	79	305
Total Funds Awarded	\$2.47 million	\$9.78 million

Recycling Promotion and Assistance Fund (RPAF) Loans	2000	1997-2000
Loans Awarded	5	21
Total Funds Awarded	\$1.32 million	\$ 7.66 million
Investment Leveraged	\$1.82 million	\$ 108 million
New Jobs Created	21	373
Materials Diverted	181,662 tons	1.99 million tons

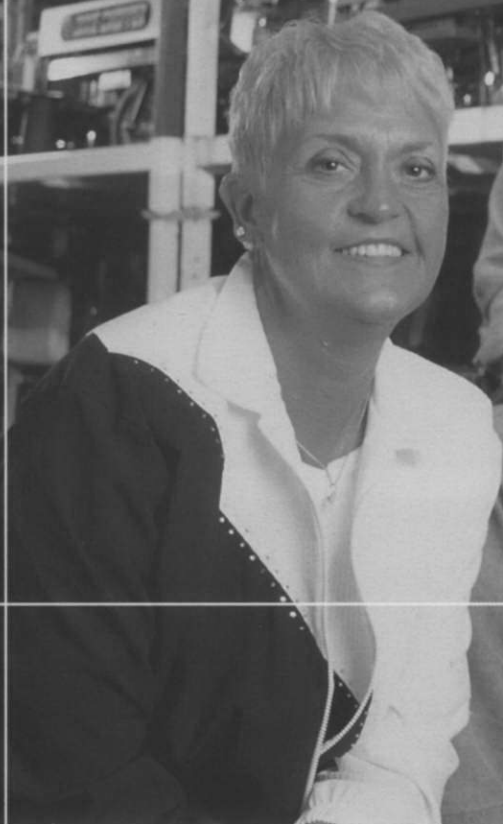
RPAF \$1 Million Loan Program	2000	(New Initiative in 2000)
Loans Awarded	2	
Total Funds Awarded	\$1.56 million	
Investment Leveraged	\$15.81 million	
New Jobs Created	102	
Materials Diverted	181,700 tons	

RPAF Grants 2000	2000	(New Initiative in 2000)
Grants Awarded	16	
Total Funds Awarded	\$244,745.33	
Investment Leveraged	\$331,921.62	
Materials Diverted	283 tons	

Industrial Energy Efficiency Fund		
	2000	1997-2000
Loans Awarded	1	10
Total Funds Awarded	\$47,650	\$1.57 million
Investment Leveraged	\$57,651	\$5.57 million
New Jobs Created	3	152
Jobs Retained	2	161
Trade Show Assistance Program		
	2000	1997-2000
Grants Awarded	44	224
Total Funds Awarded	\$194,822	\$930,776
Investment Leveraged	\$539,518	\$1.93 million
Jobs Benefited	5,721	25,632
Main Street Projects		
	2000	1997-2000
Downtown Building Investment	202	954
Infrastructure Investment	33	119
New Housing Units Created	86	186
Net New Businesses	116	398
Business Expansions	33	86
New Jobs Created	458	2,505
Private Investment	\$31.29 million	\$223.26 million
Public Investment	\$15.56 million	\$66.87 million
Tourism Information and Promotion Fund		
	2000	1997-2000
Grants Awarded	69	199
Total Funds Awarded	\$633,827	\$1.45 million
Investment Leveraged	\$1.89 million	\$4.21 million
EnjoyIndiana.com		
Launch	March 2000	
Users	782,670	
Pages Viewed	2.77 million	

PARTNERS

- CITY OF FILLMORE
- MAGIC CIRCLE CORP.
- IDOC
COMMUNITY
DEVELOPMENT
DIVISION



ART AND JEAN EVANS' INTERNATIONAL SUCCESS
WITH THEIR DIXIE CHOPPER LAWN MOWERS HAS
HELPED KEEP THE TOWN OF FILLMORE'S ECONOMY
GREEN AND HEALTHY.



DIXIE CHOPPER

After years of selling and modifying mowers, Art Evans and his wife Jean decided to start their own company. So, in 1980, on the dirt floor of a small barn in Fillmore, the Magic Circle Corp. was founded and Dixie Choppers were born.

Over the years, the Evans' entrepreneurial spirit helped the Dixie Chopper attain international recognition. Each of these zero-turning-radius lawn mowers is assembled by hand and built to last. With a solid product and a strong reputation, Magic Circle Corp. grew throughout the 80s and 90s, adding new buildings, equipment and employees.

It takes time—and a consistent effort—to create this kind of success story. The same is true of economic development, and the Town of Fillmore is a perfect example. With additional revenue coming in from the expanding company and its employees, Fillmore officials invested in their community.

In 1990, Commerce granted Community Focus Funds to Fillmore to buy a new fire truck, and a fire hydrant was put on Magic Circle Corp's front lawn, dramatically lowering its insurance rates. Later, the town used more CFF funds to help make substantial improvements to local infrastructure. New city sewer and water systems were put in place.

Variations on this story—Community Development projects leading to economic growth and vice versa—can be found in communities, large and small, throughout Indiana. In the past two years, Commerce staff has visited every county in the state to see first-hand what is working, what needs to be improved and how Commerce can support local efforts.

In the first four years of the O'Bannon-Kernan administration, that support has added up: nearly \$115 million in grants to support community development; more than \$70 million in grants to train workers and improve infrastructure for economic development; and \$123 million in loans and grants to make Hoosier companies cleaner and more energy-efficient.

But none of that would be possible without people like Art and Jean Evans, and the local leadership that drives development. In Fillmore, Magic Circle Corp. now employs 100 people and produces about 5,000 lawn mowers a year. Those mowers are used all over the world—even on the White House lawn.

Growing Together

Attracting new businesses to Indiana is always good for the economy. But sometimes the right partnerships can make a new venture just as healthy for the state's environment.

Babb International, headquartered in Georgia, recently decided to build a facility in Indiana to manufacture autoclaved aerated concrete from fly ash. The product is used to build homes and commercial buildings.

The fly ash will come from Vectren utility plants located around the state, principally the Cully plant in Warrick County. If not for this new facility, the fly ash would be landfilled at a rate of approximately 180,000 tons per year.

Autoclaved aerated concrete is environmentally beneficial for reasons beyond its use of fly ash. A building constructed with autoclaved aerated concrete uses substantially less energy (40%) for heating and cooling than does a building made from traditional building materials, thus preserving our finite energy resources.

Innovative Masonry Systems of Evansville became a partner in this project by agreeing to become a distributor of Babb's products. Projections indicate that Innovative will be selling approximately one-third of the plant's production.

Warrick County Economic Development joined with other local and state development agencies to help lure Babb to the area. Babb looked at several sites outside Indiana, but according to company president and CEO Roger Babb, "If it weren't for those people and their efforts, I don't know that the project would've come to Indiana." He also cited the support and cooperation of Vectren, the financial incentives from the State, the market for the product being created by Innovative, and the "general good business climate that Indiana presents for industries" as critical deciding factors.

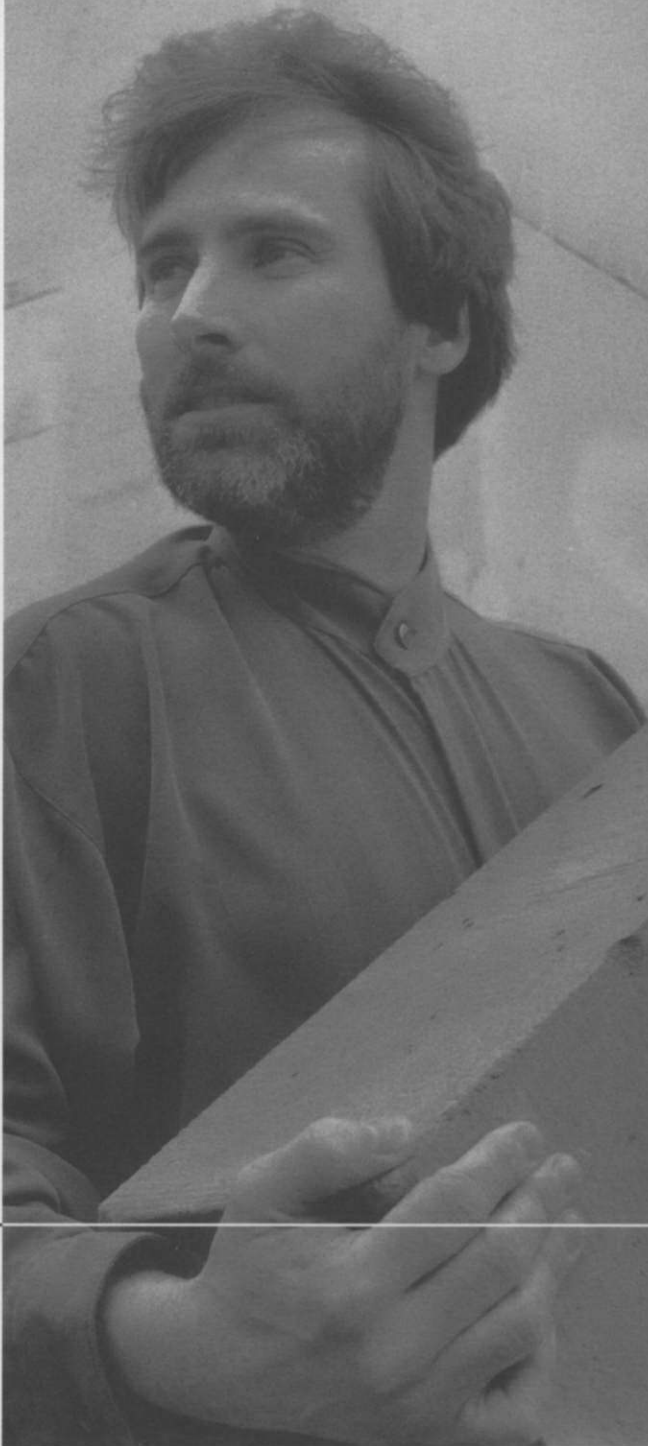
Babb International will hire 32 Hoosier workers by the end of 2003, creating yet another economic opportunity for the region. As part of this multifaceted partnership, Commerce provided the company with a \$1 million zero-interest loan from the Energy Policy Division's Recycling Promotion and Assistance Fund.

Babb's success shows that when we partner and work together, a strong economy and a healthy environment go hand-in-hand. When homeowners and commercial building owners realize the savings autoclaved aerated concrete generates on their heat costs, they'll see how everyone can benefit from such an energetic partnership.

PARTNERS

- BABB INTERNATIONAL
- VECTREN UTILITY
- INNOVATIVE MASONRY SYSTEMS OF EVANSVILLE
- WARRICK COUNTY ECONOMIC DEVELOPMENT
- IDOC BUSINESS DEVELOPMENT DIVISION
- IDOC ENERGY POLICY DIVISION


Energizing the Economy



BABB INTERNATIONAL'S DECISION TO LOCATE A NEW FACILITY TO MANUFACTURE AUTOCLAVED AERATED CONCRETE IN INDIANA WAS CEMENTED BY STRONG SUPPORT FROM LOCAL AND STATE DEVELOPMENT AGENCIES.

PARTNERS

- GENERAL MOTORS
- AM GENERAL CORP.
- IDOC
BUSINESS
DEVELOPMENT
DIVISION
- ST. JOSEPH
COUNTY
- PROJECT FUTURE
- UAW LOCAL 5



THE NEW H2 HUMMER, A SPORTS UTILITY VEHICLE
TO BE MANUFACTURED IN A NEW PLANT IN
MISHAWAKA, WILL BRING A LARGE BOOST IN HORSE-
POWER TO THE LOCAL—AND STATE—ECONOMY.

From the sands of Kuwait in Operation Desert Storm, to the snows of Mishawaka in winter—the Hummer 4x4 has an international reputation for performance under any conditions.

That reputation piqued General Motors' interest in the Indiana-based AM General Corp. when it was looking to create a new sports utility vehicle.

The two companies forged a remarkable partnership. GM acquired ownership of the Hummer brand name and took responsibility for marketing and distribution of Hummer products. AM General continued to manufacture the current Hummer, the H1, and developed a new sports utility vehicle, the H2.

To make it all happen, a new facility was needed to manufacture the H2. AM General and GM officials worked with union, county and state officials and selected AM General's existing home in Mishawaka as the site for the new H2 facility.

"The State of Indiana and St. Joseph County are providing significant assistance, which is critical to our expansion and H2 production plans," said Jim Armour, president of AM General Corp. "The UAW has played an extremely significant part in our efforts to bring this plan to fruition," he added.

The companies invested \$256 million in the facilities, while St. Joseph County offered \$20.7 million in local tax abatements. The State of Indiana is providing a total of \$41 million in road improvements, tax credits and grants to train new existing workers. And the union, UAW Local 5, signed an eight-year deal with AM General to guarantee that the new facility would have the labor force it needed.

"The generous cooperation of all of these entities has made this project possible for our community and we are extremely grateful," said Armour.

With all parties coming together in the name of progress, the partnership worked. GM has begun to market the H1 commercially, and the new H2 plant is being built next to the current Hummer plant in Mishawaka. When the plant is complete in 2003, it will create more than 1,500 new high-paying jobs, making it one of Indiana's biggest economic development investments in the last decade.

Rugged Vehicles and a Robust Economy

Indiana's technology industry is booming, diversifying our economy. In fact, the service sector—including many knowledge-based jobs—now employs more Hoosiers than any other.

But that's not just good news for techies. It's good news for the state's entire business climate.

Take Interactive Intelligence, for example. The company, which announced major expansion plans in November, offers a product line that helps customers manage every aspect of their communications—a valuable tool for all companies in all industries.

The company's expansion includes adding almost 2,500 new technology jobs and investing more than \$100 million over the next 10 years. Ensuring that expansion happened in Indiana was a result of a partnership among Interactive Intelligence, Commerce and the City of Indianapolis.

But the broader success of Interactive Intelligence is built on partnering with its customers around the world. One of those customers is Pratt Corporation in Indianapolis. Before Interactive Intelligence unveiled its aggressive growth plans, it was already helping Pratt make its business more efficient.

Joe Indiano, Pratt's director of information services, welcomed the help of Interactive Intelligence.

"Since starting as a screen-printing company in 1946, we've evolved into a turnkey provider of point-of-sale solutions for leading brand marketers and retailers," Indiano said. "Last year we overhauled our communications system to better serve our growing customer base. We selected Interactive Intelligence because it offered a

software solution that reduced integration points and took advantage of economies of scale. It has enabled us to quickly customize communication options in support of sales and marketing campaigns, and a built-in intelligent routing system gets customers immediately to the right service department or remote workgroup. It has also given customers new 'touch points,' such as fax-on-demand and e-mail, so they can contact us using the most convenient method for them.

"The bottom line is that the unique technology offered by Interactive Intelligence enabled us to focus on the content of customer interactions—not the mechanism through which they come."

That type of partnership is precisely what Interactive Intelligence had in mind.

"We're very proud to offer a technology that Indiana businesses can use to improve customer service and become more successful," said Dr. Donald E. Brown, CEO and president of Interactive Intelligence. "Pratt Corporation is a great example of a company that has leveraged our communications software to exceed service levels while containing expenses. Pratt is helping to build Indiana's reputation for fostering visionary companies that make use of leading-edge technology. It's exceptionally gratifying to be a part of that."

Technology is flourishing throughout the state, and with that comes high-paying jobs and major capital investments. More importantly, though, technology companies are becoming integral partners with all industry sectors, transforming existing organizations while creating new ones. In turn, we all benefit—with more efficient companies, more innovative products, and enhanced customer service.

PARTNERS

■ INTERACTIVE
INTELLIGENCE

■ CITY OF INDIANAPOLIS

■ IDOC
BUSINESS
DEVELOPMENT
DIVISION

■ INDIANAPOLIS
REGIONAL
ECONOMIC
DEVELOPMENT
PARTNERSHIP

■ PRATT
CORPORATION

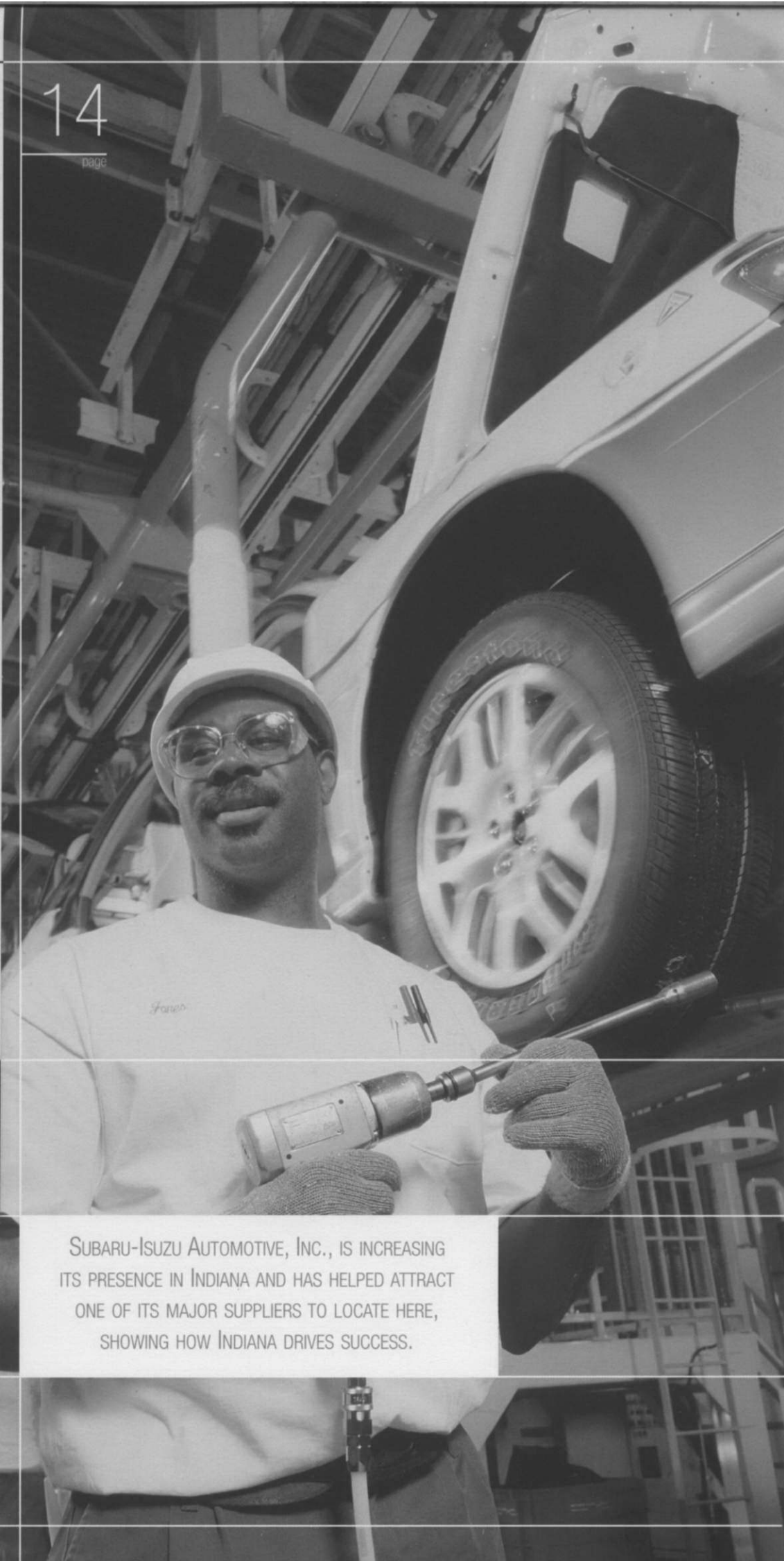
An Interactive Partnership



PLANS BY INTERACTIVE INTELLIGENCE TO INVEST \$100 MILLION OVER THE NEXT DECADE INDICATES HOW STRONGLY TECHNOLOGY IS FLOURISHING IN INDIANA AND THE VALUE IT OFFERS TO ALL INDUSTRY SECTORS.

PARTNERS

- SUBARU-ISUZU
AUTOMOTIVE INC.
- FUJI HEAVY
INDUSTRIES LTD.
- ISUZU MOTORS LTD.
- TOA
INDUSTRIES
COMPANY
- IDOC
BUSINESS
DEVELOPMENT
DIVISION
- IDOC
INTERNATIONAL
TRADE
DIVISION
- GREATER
LAFAYETTE
PROGRESS
- CITY OF
LAFAYETTE
- MOORESVILLE
DEVELOPMENT
COMMISSION
- TOWN OF
MOORESVILLE



SUBARU-ISUZU AUTOMOTIVE, INC., IS INCREASING ITS PRESENCE IN INDIANA AND HAS HELPED ATTRACT ONE OF ITS MAJOR SUPPLIERS TO LOCATE HERE, SHOWING HOW INDIANA DRIVES SUCCESS.

Indiana has continually proven that success breeds more success. Through partnerships with government agencies, businesses and communities, Indiana has been able to maintain and attract hundreds of international companies, like Subaru-Isuzu Automotive Inc. (SIA) and TOA USA.

Back in 1990, when Japanese based Fuji Heavy Industries Ltd. and Isuzu Motors-Limited opened the \$1.1 billion SIA plant in Lafayette, no one could have anticipated the growth it would bring, not only to Tippecanoe County, but to all of Indiana.

Now, a decade later, SIA and Indiana's economy continue to grow together. In 2000, company officials announced plans to build a new \$167 million engine assembly and production plant as well as a \$135 million expansion of its existing facility. The new engine plant, to be completed in 2004, will be built right next to SIA's current facilities, creating 255 new jobs. The expansion of the existing plant will add even more jobs in 2002.

"Indiana has proven to be a great home for SIA," said Tom Easterday, SIA's vice president of human resources and corporate affairs. "Because of the cooperative environment with state and local governments, we've been able to continue to seek out and build new partnerships with numerous businesses to foster even more growth opportunities."

That's certainly true in Indiana, where SIA's presence has made a huge impact. In 1999, SIA purchased approximately \$400.8 million in direct material from 48 Hoosier vendors plus \$24.6 million worth of indirect materials from 819 Hoosier vendors, creating hundreds of new jobs and attracting new companies to the state. A recent study found that every one new job created by an international automaker located in the U.S. results in the creation of 6.5 new jobs.

One of those automotive suppliers is TOA Industries, who came to Indiana to supply SIA. TOA, an international leader in manufacturing and design of automotive suspensions systems, had a long-standing relationship with Subaru in Japan. They wanted to continue that in North America. To do that, they needed a new home.

After months of working with local and state officials, TOA selected Mooresville for its \$60 million plant and 150 new jobs. The Mooresville facility, when it's completed in 2004, will be TOA USA L.L.C.'s first North American facility.

In 2000, Indiana continued to build on its past accomplishments while creating even more opportunity. By capitalizing on prior successes—like Subaru Isuzu—Indiana helps foster new businesses, grows existing companies, and generates more jobs for Hoosiers.

International Perspective, Local Success

PARTNERS

■ CITY OF VALPARAISO

■ NATURAL OVENS

■ IDOC
BUSINESS
DEVELOPMENT
DIVISION

Choosing the right ingredients is essential to creating a good product. Choosing the right partners is fundamental to creating a successful business.

When Natural Ovens was looking for a site to build its first plant away from its corporate headquarters, the natural choice was the City of Valparaiso.

Owned by Paul and Barbara Stitt, Natural Ovens produces whole-grain, preservative-free baked goods. In its home state of Wisconsin, the company has a reputation as a good corporate citizen, and the Stitts are known as community-minded people. The couple said one of the factors in choosing Valparaiso was the quality of life, which is "just right" for their company.

"My mother was born near Valparaiso, so I have visited the city many times," says Paul Stitt. "We really appreciate the warm Hoosier reception we have received. We hope to make Valparaiso the healthiest city in the nation!"

They plan to hire 153 new employees and make an investment of \$10 million in Valparaiso.

The new dome-shaped Natural Ovens facility will be located on 16 acres, with three of those acres dedicated to flower gardens. There will also be a cafeteria, a health club, and a country and ballroom dancing studio, all open to the public.

The company hopes its grounds will be considered a family attraction like its headquarters, which receives approximately 30,000 visitors each year.

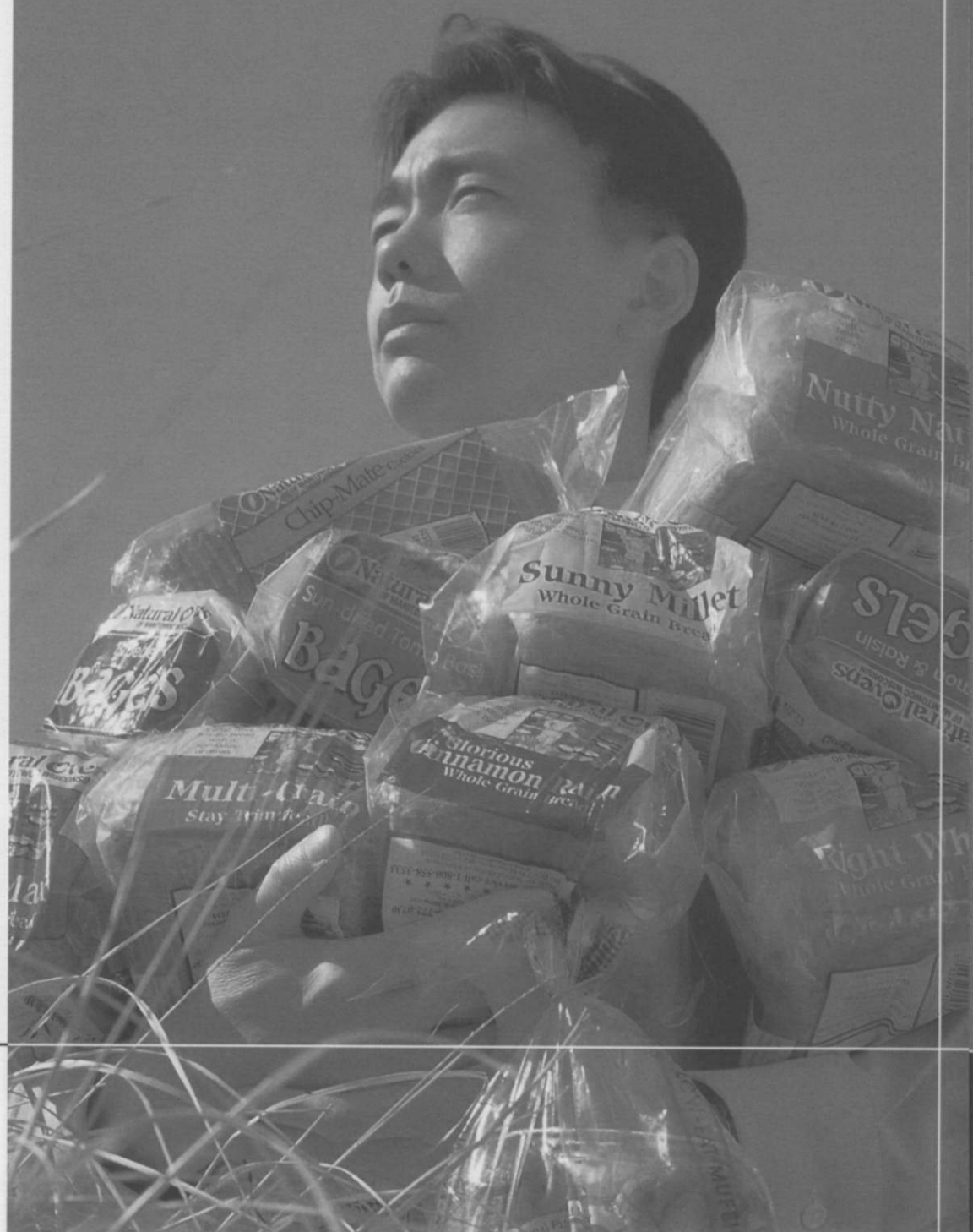
Products labeled with "Natural Ovens of Valparaiso" will go to about 10 million people in Michigan, Indiana, Ohio, Illinois and Missouri each year, creating a nationwide positive image for Valparaiso. This unusual aspect of the project promises to bring yet another form of economic development support to the city...tourism dollars.

For its contribution to the partnership, the City of Valparaiso is making infrastructure changes to support the Natural Ovens campus. Commerce is assisting the city with \$64,000 from the Industrial Development Grant Fund plus \$95,000 in Training 2000 funds to train Natural Ovens' employees.

"We are really looking forward to doing business in Valparaiso," says Stitt. "Our business has grown from 500 loaves per day to 50,000, and we hope to keep it rising."

Paul Stitt recognized what other Hoosier companies have long known—Indiana's a natural location for growth. That's not just a credit to our great business climate, it's also due to strong working partnerships throughout our state.


The Natural Location for Progress



NATURAL OVENS WILL NOT ONLY INVEST \$10 MILLION AT ITS NEW VALPARAISO SITE, BUT ALSO BOOST THE CITY'S IMAGE WITH BAKED-GOODS LABELS THAT READ "NATURAL OVENS OF VALPARAISO."

PARTNERS

- ITP
INDIANA TECHNOLOGY
PARTNERSHIP
- INITA
INDIANA
INFORMATION
TECHNOLOGY
ASSOCIATION
- TechNet
- VTI, Inc.
- IDOC
E-COMMERCE
DIVISION
- DEPARTMENT
OF WORKFORCE
DEVELOPMENT



STATEWIDE INDUSTRY PARTNERSHIPS AREN'T UNIQUE TO INDIANA, BUT OUR STATE'S STRONG SENSE OF COMMUNITY FOSTERS A VITAL NETWORK THAT IS A MAJOR ATTRACTION TO LARGE AND SMALL COMPANIES.

Indiana is known for its tight-knit communities, where everyone works together. Our high-tech community functions that way, too — and it's getting bigger all the time.

While there are many partnerships among individual companies, statewide industry alliances exist as well. Most notably are the Indiana Information Technology Association (INITA), headed by Donna Gastevich, and the Indiana Technology Partnership (ITP), led by entrepreneur and businessman Scott Jones. Also present is a local office of TechNet, the nation's leading public interest group for technology companies. These organizations work to ensure Indiana technology firms have the support and environment they need to flourish.

"There's a sense of community here that's lacking in other places," says Gastevich. "And it's not just in the traditional sense. People meet. They talk to each other. They learn from and help each other. The network is vital and real."

This sense of community is attractive to small and mid-sized companies looking for partners and employees, as well as to emerging businesses that benefit from cooperative enterprises. An excellent example is Ventura Technology International (VTI) Inc., an Indianapolis-based information technology consulting firm.

VTI, a professional services firm, was founded in 1992 by Barbara Baker. In the course of its 8-year existence, VTI has never lost a client or an assignment — maybe that's

why it now handles projects in Indiana, Missouri, Maryland, Wisconsin and Virginia.

With such efficient service, it's no wonder the company is growing. In 2000, Commerce assisted VTI by awarding a TECH Fund grant to help 12 of its employees gain technical training in systems administration and engineering.

"Initiatives like the TECH Fund are particularly helpful to small companies like ours," said Baker. "The technology community in Indiana is one that helps cultivate growth and, in recent years, we've seen even greater support of that growth. In Indiana, there's always a partner ready to offer a helping hand."

Indiana stands apart from its competitors for growing businesses — and partnerships among companies, the community and the state are a major reason. These partnerships have resulted in rising stars, like VTI, that attract more businesses to the community. It's a refreshing model that will continue to propel Indiana into the high-tech spotlight during the next decade.

New Partnerships for New Technologies

PARTNERS

- BETHLEHEM STEEL
- NOVAMERICAN STEEL
- CLARKE MARITIME CTR.
- CITY OF JEFFERSONVILLE
- INDIANA PORT COMMISSION
- IDOC
BUSINESS
DEVELOPMENT
DIVISION

Tradition. That's what brought BethNova LLC to Jeffersonville and the Clark Maritime Centre. However, it wasn't only Indiana's strong tradition in the steel industry that interested the company; it was the state's tradition of partnership.

In 1999, Bethlehem Steel and Novamerican Steel joined forces to create BethNova Tube LLC, a steel fabrication company, and began a search for the perfect home. When Hoosier officials heard about plans for the new company, it seemed like a natural fit for the port's steel campus—and they joined together to bring BethNova to the Clark Maritime Centre in 2000.

The Clark Maritime Centre is one of Indiana's three international ports and houses an extensive steel campus. Located on the Ohio River across from Louisville, the port provides dozens of steel-related companies with access to each other and to intermodal travel in a duty-free foreign trade zone.

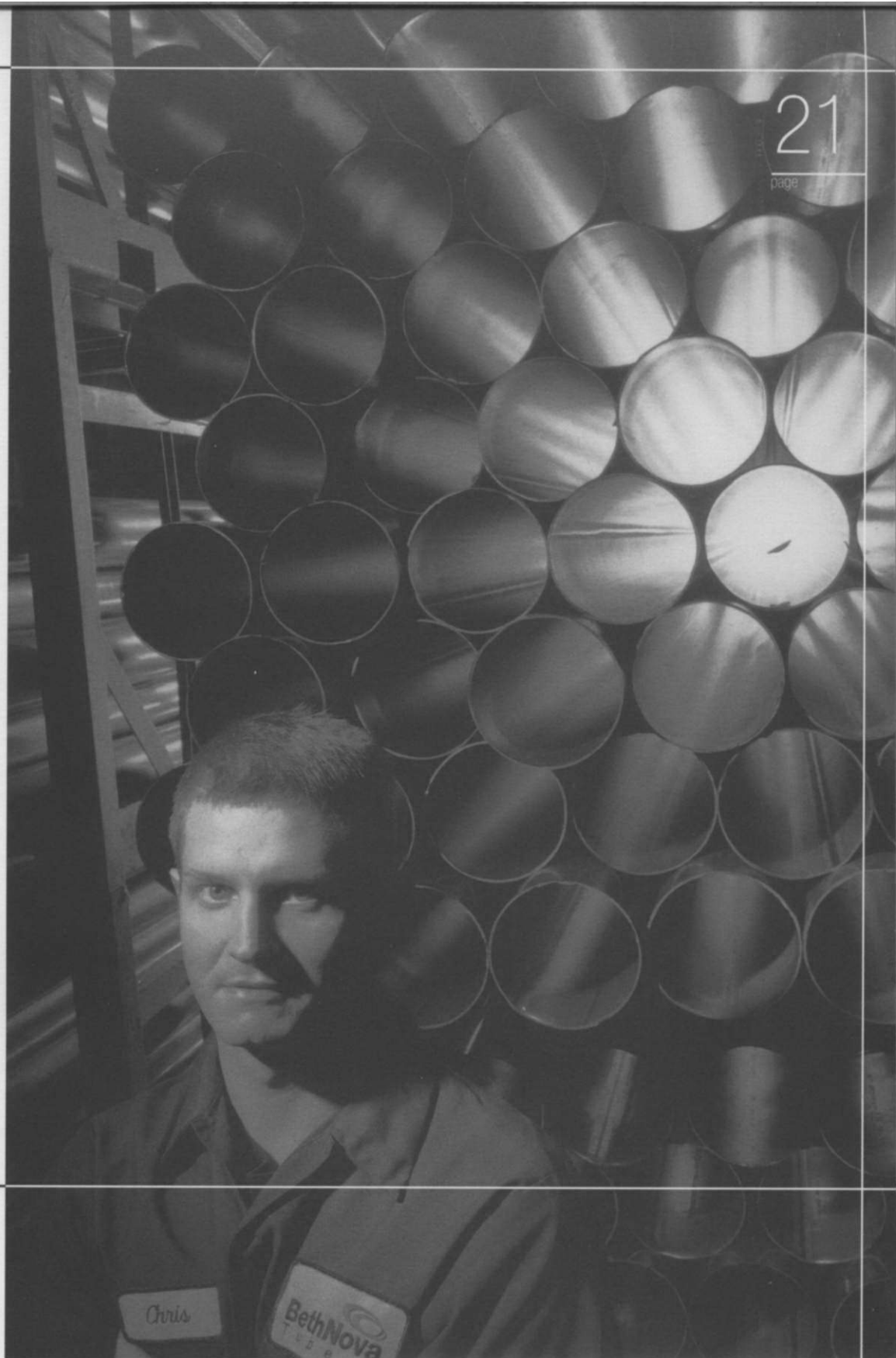
"The partnership among the various groups was really amazing," said Bill Creighton, director of strategic studies for Bethlehem Steel Corp.'s Sparrows Point Division.

"The Indiana Department of Commerce, the Indiana Port Commission, the City of Jeffersonville and even some of the port's tenants all worked together to make an offer we couldn't refuse. With that kind of determination we knew that Indiana was the best place for BethNova Tube."

In September of 2000, company, state and local officials announced that BethNova had selected Indiana as the site for the new \$19.5 million facility and the 74 high-skilled jobs that come along with it. The State did provide incentives to help lure the company, but it was the cohesive partnership that sealed the deal.

It's good to have a strong sense of tradition; you never know when past work will pay off for the future. In 2000, that was the case for Jeffersonville and BethNova, as well as all the Hoosiers who will benefit from new, family wage jobs.


Building Value with Tradition



STATE AND LOCAL GROUPS WORKED TOGETHER TO MAKE BETHNOVA LLC AN OFFER IT COULDN'T REFUSE: THE RESULT—A NEW STEEL FABRICATION COMPANY AT CLARKE MARITIME CENTRE'S STEEL CAMPUS.

PARTNERS

- I-80/90 TOURISM
DEVELOPMENT
COMMISSION
- IDOC
TOURISM AND
FILM DEVELOPMENT
DIVISION
- LAKE COUNTY
- PORTER COUNTY
- LA PORTE COUNTY
- ST. JOSEPH COUNTY
- ELKHART COUNTY
- LA GRANGE COUNTY
- STEUBEN COUNTY
- MARSHALL COUNTY
- KOSCIUSKO COUNTY



WINONA LAKE'S VILLAGE AT WINONA GOT BIG-TIME ADVERTISING
EXPOSURE IN THE CHICAGO MARKET —AND THOUSANDS OF
ADDITIONAL VISITORS—THANKS TO A PARTNERSHIP OF NINE
COUNTIES AND ASSISTANCE FROM COMMERCE.

For most small tourism businesses, advertising in large media markets like Chicago and Indianapolis is impossible; it costs too much.

For that very reason, Lake, Porter, LaPorte, St. Joseph, Elkhart, LaGrange, Steuben, Marshall and Kosciusko counties joined to form a new partnership—the Interstate 80/90 Tourism Development Commission (I-80/90 TDC). Together with Commerce's Tourism and Film Development Division, the partnership developed a marketing plan. In 2000, it moved forward and highlighted a series of seven area attractions in print advertisements in the Chicago market—a market almost impossible to penetrate without combined resources.

I-80/90 TDC contributed \$235,000 towards the ads, while Tourism added \$145,000 to the project, which included response cards, a toll-free number, customer service representatives and a follow-up information packet.

One of the featured attractions was Winona Lake's Village, a 21-acre Kosciusko County destination featuring shops, restaurants, museums and art studios. Thanks to the partnership among its neighboring counties, the Village of Winona was highlighted in several Chicago market advertisements.

"We would never have been able to advertise like this, without this partnership," said Brent Wilcoxson, managing director of the Village of Winona. "The added exposure is great. It helps us out, it helps our county out and it helps the whole area draw more visitors."

The ads, which ran in *Midwest Living Chicago*, *AAA Home & Away Chicago* and the *2000/2001 Indiana Travel Guide*, brought additional tourism activity to all of northern Indiana. An estimated 20,000 additional inquiries were recorded and at least 8,000 more travel parties enjoyed northern Indiana because of the ads.

The advertising program was so successful, that plans are in the works to repeat it in 2001. Once again, it proves that a little Hoosier hospitality can make a big difference—especially when Hoosiers work together.

Bringing the City to a Village

PARTNERS

- IDOC
COMMUNITY
DEVELOPMENT
DIVISION
- CANI
COMMUNITY
ACTION OF
NORTHEAST
INDIANA INC.
- WELLS FARGO

One of the underlying principles of partnership is that everyone benefits from the arrangement.

Indiana's Individual Development Account (IDA) program, administered by Commerce's Community Development Division, is an excellent example of how such partnerships work. It helps low-income Hoosiers manage savings accounts to create a better life. Money saved in an IDA can be used for the account holder's education, vocational training, purchasing a home, or buying part or all of a business.

Community Action of Northeast Indiana Inc. (CANI), a community development corporation in Fort Wayne, entered the IDA program in 1998. Partnering with Wells Fargo, CANI has 40 active participants in its program. The participants put money into an interest-bearing savings account at Wells Fargo, which the State matches at a rate of \$3 for every \$1 saved. In return for the business, Wells Fargo waives minimum balance requirements for these accounts. CANI recruits participants and ensures they gain financial skills to continue saving money and improving their quality of life.

The training partner for CANI's participants is the Allen County Purdue Cooperative Extension, which instructs participants through its "Making Your Money Work" series.

"The IDA program has proved to be an invaluable tool for our families striving to achieve self-sufficiency," says Pam Brookshire of CANI. "Their savings allow them to meet

major life goals. Our families are proud of their accomplishments, and we are proud of them. It's a wonderful feeling to be part of someone's success."

Area resident Theresa Steele says her life would be very different if it weren't for the IDA program. She established her daycare business in her apartment, but the apartment management company told her she had to stop running the business due to liability issues. Rather than lose her business, Theresa used IDA savings to purchase a home, where she now maintains her successful daycare center.

"I feel very fortunate that they chose me for this program," said Theresa. "If they hadn't, I wouldn't have gotten this house and been able to continue to have my business. I liked the budgeting class, and Pam at CANI has been very helpful to me. It's been more than just a business relationship—I feel like she cares about what happens to me."

Theresa's business is part of her dream, and it makes a big difference to the families that use her daycare. Her story, and others like it around the state are why the IDA program is a great example of a partnership working to make Indiana stronger. In fact, Indiana abounds with stories like Theresa's—Indiana leads the nation in number of IDA accounts, participating neighborhood organizations and financial institutions.

Developments for Brighter Futures



THERESA STEELE SAYS HELP FROM INDIANA'S INDIVIDUAL DEVELOPMENT ACCOUNT (IDA) PROGRAM HAS MADE A BIG DIFFERENCE IN HER LIFE AND HER DAYCARE BUSINESS.



Clearly, 2000 was a great year for Indiana's economy. But we know we must never become complacent. At Commerce, we're always looking toward the future, and we are focusing on Indiana's bicentennial in 2016.

We know that what we do now—the projects we attract, the communities we assist, the initiatives we launch—will help shape what our state looks like when it turns 200. Governor O'Bannon and Lt. Governor Kernan expect us to be innovative, energetic and aggressive in our efforts.

As we move forward, partnerships will continue to be vital to our progress. We'll continue to work with businesses, local developers and communities, but we will also reach out to other state associations and organizations.

More than ever, it will be essential to bring our universities into the economic development mix. That's why the 21st Century Research and Technology Fund is so important, and why it's good news that the O'Bannon-Kernan team is committed to allocating \$125 million to the fund over five years. This fund will generate some great medical and information technology breakthroughs for Indiana—but the biggest value will be the partnerships it helps form for the future.

The Indianapolis Chamber of Commerce is developing a regional system to help promote internships and cooperative experiences for central Indiana's college students by matching them with the best companies in the area. That's the type of activity we must support, and Commerce has already committed \$100,000 to the initiative.

Likewise, we're supporting the on-campus recruitment program launched by the Indiana Technology Partnership and the Indiana Health Industry Forum. This matches students with Indiana businesses, helping us keep our best and brightest here in Indiana.

We also want to foster an increasingly strong relationship between our economy and our primary education system.

The state's Cisco Academies are a shining example of that partnership at work. Our high schools are working with Cisco Systems to help students learn to design, build and maintain computer networks. That's a tremendous service to young Hoosiers, and it prepares the future workforce for Indiana companies. Already, there are 138 academies across Indiana, and that number will increase as we build momentum for the future.

One of the fundamental needs for the future is continued training for our workforce. Our Hoosier workforce has always been a strength, and the O'Bannon-Kernan administration has a plan to ensure it continues to be an asset for economic development in the years ahead. Through the Skills 2016 initiative, the State will invest \$34.8 million to educate, train and certify our workforce—including allocations for the Skills Enhancement Fund, TECH Fund and Advance Indiana fund. Ultimately, it will mean training and certification for tens of thousands of Hoosier workers over the next 16 years.

The first four years of the O'Bannon-Kernan administration have delivered some major breakthroughs for economic development. Among them are the Community College of Indiana, the 21st Century Research and Technology Fund, the TECH Fund, the use of infrastructure funds to cover fiber optic cable, and \$1.5 billion in tax cuts. To keep that success rolling, we must continue to be aggressive, and we must pursue the partnerships outlined above.

These partnerships are vital to our future—and to making Indiana's 200th birthday a great one. We know that, as the years unfold, new partnerships will form and new initiatives will begin. As our technologies advance, our economy will continue to diversify in ways previously unimagined. Indiana is a state of progress—poised to create a prosperous future. We look forward to working with our partners to embrace that future.

Looking Ahead

Resources

Indiana Department of Commerce
Executive Office, General Inquiries
Main Phone 317.232.8800
Fax 317.233.5123
Tom McKenna, Executive Director

Business Development Division
Main Phone 317.232.8888
Fax 317.232.4146
Toll Free 800.280.0584
Bob Murphy, Director

Community Development Division
Main Phone 317.232.8911
Fax 317.233-3597
Toll Free 800.824.2476
Susie Harmless, Director

Development Finance Division
Main Phone 317.232.8782
Fax 317.232.4146
Toll Free 800.280.0584
Mike Draper, Director

e-Commerce Division
Main Phone 317.232.4768
Fax 317.233-5123

Energy Policy Division
Main Phone 317.232.8940
Fax 317.232.8995
Niles Parker, Director

International Trade Division
Main Phone 317.233.3762
Fax 317.233.1680
Cyrus Reed, Director

Marketing & Public Affairs Division
Main Phone 317.233.9634
Fax 317.233.9851
Linda McGrannahan, Director

Tourism & Film Development Division
Indiana Main Street Program
Main Phone 317.232.8860
Fax 317.233.6887
Toll Free 800.289.6646
John Goss, Director



Indiana Department of Commerce

One North Capitol, Suite 700

Indianapolis, Indiana 46204

Toll-free 1.800.463.8081

Tel: 317.232.8800

www.indianacommerce.com